Q. **Reference: Volume I, Section 2.3.4, Issue Topic: Rural Deficit**

Has Hydro conducted, or does it plan to conduct, industry research to determine how other jurisdictions may mitigate the impact on electricity ratepayers relating to challenges maintaining heating oil delivery to customers on rural isolated systems, planned or unplanned electrification on isolated systems, cost impacts associated with Government-funded community relocations, or the stranding of rural assets? If so, please provide findings or a progress update. If not, why not?

A. Newfoundland and Labrador Hydro ("Hydro") has been directed by the Board of Commissioners of Public Utilities to file an Isolated Strategic Load Management report by November 30, 2026. Hydro expects to file this report on or before that date. Part of this report will include a Canadian jurisdictional scan on various matters relating to isolated systems, including:

- How utilities are managing load growth in the context of electrification, including pricing structures, and conservation and demand programs;
- Initiatives to transition away from diesel generation as the primary supply source either through renewable energy initiatives or transmission interconnections to the main grid;
- Government and/or utility policies by jurisdiction with respect to service limitations or specific policies to limit load growth and capital investments;
- The availability of funding for capital investments associated with load growth to reduce the costs to be recovered through customer rates; and
- Rate subsidization practices and the degree of subsidization provided to ratepayers including the incremental impacts of load growth on subsidization requirements.

Hydro notes that any comparison to other jurisdictions will need to appropriately consider the context provided by relevant legislation and Orders in Council in Newfoundland and Labrador.